

3 January 1969

Project No. 51.5288

Recent Activities in North VietnamSummary

Several signs point to a step up in reconstruction of North Vietnam's industries although no general reconstruction has yet been observed. Definite signs of preliminary construction have been observed at the Thac Ba Hydroelectric Powerplant, the Thai Nguyen Iron and Steel Complex, and the Bac Giang Chemical Fertilizer Plant. North Vietnam apparently has begun to develop its potential for crude oil production with assistance from Rumania. An oil drilling rig has been observed about 33 miles southwest of Haiphong.

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Ship

congestion at Haiphong dropped significantly from 29 dry cargo ships in port at the beginning of December to 19 at the end of the month.

There are indications that Vinh airfield, the last of the major unserviceable airfields, will be activated in the near future.

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Industry

1. Although no general reconstruction of industrial facilities is yet underway, [REDACTED] work for such an effort. Definite signs of preparatory work for resumption of construction on the Thac Ba Hydroelectric Powerplant is evident for the first time. At the Thai Nguyen Iron and Steel Complex, repairs are in progress on a steam plant and a damaged building of the iron ore concentrating plant. Much construction remains, however, before either of those installations can be put into service. Clean-up activity at the Bac Giang Chemical Fertilizer Plant gives the first indication that repair of the plant may soon start. This plant, which sustained damage apparently before it could be put into operation, will be the country's largest producer of chemical fertilizers. Repair of electric power facilities has increased serviceable generating capacity from 50 percent to about 55 percent of pre-strike capacity in the past three months. The Haiphong Cement Plant, operating at about one-third of pre-strike capacity, remains unchanged since September.

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Petroleum Exploration

2. North Vietnam has taken some initial steps toward development of its potential for crude oil production. A drilling rig has been located about 33 miles southwest of Haiphong in an area that might be an oil producing basin. The rig is similar to a Soviet type suitable

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for drilling depths of 5,000 to 6,000 feet.

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Soviet and East European

geologists and prospecting teams have conducted surveys and tests for oil and other mineral deposits during the past year.

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#### Evacuation

4. An increased return of evacuees and a rise in black market activity was observed in Hanoi during December, although the regime continues to warn that conditions are still not safe. Some outdoor classes have been noted in December despite the fact that primary and secondary schools and universities have not been officially relocated to urban areas. In addition, some kindergarten and nursery schools may be reopening soon. However, there has been no evidence that evacuated hospitals and government agencies are returning.

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Foreign Trade and Aid

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6. Ship congestion at Haiphong declined significantly during December. The number of dry cargo ships in port dropped from 29 at the beginning of the month to 19 at the end.

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and if the price could be lowered. However, problems that caused production to decline in the past year apparently continue to restrict coal exports. The Lao Cai apatite mines are being worked apparently for the first time in more than one year.

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8. An unusually high number of Soviet-North Vietnamese contracts for economic development projects has been noted in the last half of 1968, probably for delivery in 1969.

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Air Defense

9. Vinh air field, the last of the major unserviceable air fields, may be activated for jet service in the near future.

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An occupied SAM site is already in

the area to provide defense of the field. Activation of Vinh would greatly enhance North Vietnam's capability to react to US flights in the southern panhandle and its potential to stage flights over southern Laos.

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